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E-MARKETING AND SMALL BUSINESS SUCCESS

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ABSTRACT

The wide spread of internet usage in Nigeria has not only enhanced social relationships but has also influenced the growth and sustainability of small businesses. This study considered the level of relationship which exists between e-marketing and small business success. 74 copies of questionnaire were retrieved from four organizations located in Port Harcourt and the results of our findings shows that there is a significant relationship existing between e-marketing and small business success. The study further recommended a holistic integration of businesses and the use of internet as it would not only help them achieve profitability but would ensure they satisfy their customers optimally.

KEYWORDS: growth, sustainability, e-marketing, internet, profitability and satisfaction

1.0 INTRODUCTION

Every business enterprise was established with the intention of being successful which would often reflect on its profitability and commercial growth (Ishnian & Mahmoudian, 2014). This is to say that every business would want to apply the necessary technique in ensuring that such expectations are realized. According to Shenhar, Levy & Dvir (1997), there is a difficulty in generalizing the concept of business success as various firms have their own parameters for measuring success. Cooper and Kleinschmdt (1987) were of the view that financial performance, opportunity window and market impact constitutes the reasons for effective business success. Pinto and Mantel (1990) further suggested three measures as benchmark for business success which include; the market implementation process, perceived market value as well as customer satisfaction. However, Dvir and Shenhar (1992) after conducting an empirical research, they were of the opinion that managers of business units had a unique view and ideology of the concept of business success. They also proposed three measures which include profitability level, sales level, and new opportunities.

In considering the level of such business success, this study would try to examine how emarketing would act at as a predictive variable. Electronics marketing (e-marketing) is a method adopted by businessmen taking advantage of the emergence and developments found within the ICT sector (Gohary, 2012). Virtually, all the business found in Nigeria incorporates the use of ICT in performing their daily operational activities. There is often need to communicate with customers to channels of distribution as well as to get relevant data for business research especially with regards to new market development. Several authors have tried to define the term e-marketing in various ways. According to Strauss and Frost (2001), e-marketing can be defined as the use of ICT in generating electronic data for planning, organizing, pricing and distribution of goods and services in such a way that satisfies customer and organizational goals and objectives. Today, business have gone beyond brick and mortar approach where the buyer and seller

would meet physically. Millions of transactions go on through the web, connecting various business associates, customers as well as wholesalers. Furthermore, the concept of e-marketing was defined as the process of achieving market objective while applying the use of digital technologies. Dehkordi, Rezvani, Rahman, Fouladivanda and Jouga (2012), also enumerated some of the services associated with e-marketing as mobile marketing, intranet, extranet, etc. The use of ICT has eased the stress of doing business in Nigeria today. Today passengers can book their flight at the comfort of their homes, they do not need to move about before getting the transactions done and this is a high level of competition with the presence of e-marketing.

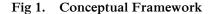
1.2 STATEMENT OF THE PROBLEM

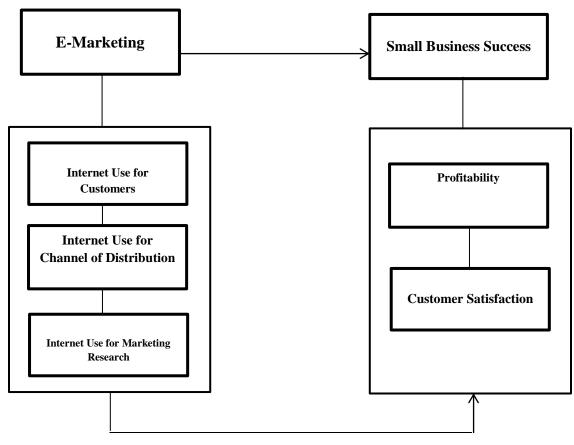
Despite the trending use of the internet in Nigeria, it is very sad to note that majority of businessmen have not found the courage to launch their businesses online (Onwuka, 2014). Some of those who are launched online are yet to improve on customer services and timely delivery. On the 25th of January 2013, it was published on naijaonlinebiz.com that a lady almost ruined her wedding because the gown was purchased online and the delivery took longer than expected. There is also a peculiar problem of difficulties in delivery products due to the fact that most rural areas are inaccessible due to bad roads and ineffective transportation system. It is also very sad to note that majority of supermarkets found within Nigeria have not seen the need to incorporate both online and offline marketing technique. In the United States, some of the leading earners of dollars are retail stores online. Today, only about 10 businesses have truly launched and carried out emarketing programs apart from banks who are leading in the development of e-customers services. These organizations are konga.com, jumia.com, tafoo.com, slotlimited.com, kaymu.com.ng, Mystore.com, Boyright.biz, buyam.com, shopandmail.com.ng as well as shop-ng.com. Now, of we compare the number of supermarkets we have in Nigeria and the list of those who are launched online, we would not hesitate in identifying the

problem in this study. Most business owners do not know that the mere fact that they have an online market presence can boost their sales by over 400%.

Despite the effort of the previous government to give a face-light to existing small and medium scale enterprises (SMEs) through the intensity of v-connect.com online platform there has been such reluctance on the part of business owners to bring out their shops in the online market. This may be attributed to the fact that ICT competency is rare or the fact that the cost of data in running an ebusiness may also affect the business cash flow. Another major problem affecting the successful penetration of e-marketing in Nigeria is the ideology of individuals who are too used to the brick and mortar shopping, they often want to see the goods physically to ascertain its quality. This is because there is a belief that virtually every Nigerian business person is corrupt and the most be a need to see the goods before they pay for them. This is not the kind of mindset for this generation as individuals ought to understand the fact that ICT have come to make business transactions more easy and effective. There is also that fear of online fraud in the mind of individuals towards e-marketing, it is only a few people today who could do transactions online for goods they need, only a few people could pay online without fear. So many others are just afraid to loose their hard earned money in an unfavorable economy like ours.

However, it is still very sad to know that internet users in Africa constitute only 7% (about 167.3m) of total internet users worldwide. Later, America have over 254.9 million internet users. Internet users in Europe are over half a billion. Asians alone has over 1 billion internet users (Agbaje & Kehinde, 2013). Out of the 167.3 million in Africa, Nigeria contributes about 48.4 million internet users which is not even up to 50% of Nigeria's population. This, it is evident that there is lack of conscious effort on the part of individual to bring their business online.





Source: Researcher's concept

1.3 AIM AND OBJECTIVES OF THE STUDY

The aim of this study is to examine the extent to which e-marketing relates with the success of SMEs in Port Harcourt. More specifically, its objectives are:

- 1. To ascertain the extent to which internet use for customers relate with profitability of SMEs in Port Harcourt.
- 2. To ascertain the extent to which internet use for customers relate with customer satisfaction of SMEs in Port Harcourt.
- 3. To ascertain the extent to which internet use for channel of distribution relate with profitability of SMEs in Port Harcourt.
- 4. To ascertain the extent to which internet use for channel of distribution relate with customer satisfaction of SMEs in Port Harcourt.
- 5. To ascertain the extent to which internet use for marketing research relate with profitability of SMEs in Port Harcourt.

6. To ascertain the extent to which internet use for marketing research relate with customer satisfaction of SMEs in Port Harcourt.

1.4 RESEARCH HYPOTHESES

From the above objectives, we shall draw our research hypotheses on null form as follows.

- HO₁: There is no significant relationship between internet use for customers and profitability of SMEs in Port Harcourt.
- HO₂: There is no significant relationship between internet use and customers satisfaction of SMEs in Port Harcourt.
- HO₃: There is no significant relationship between internet use for channel of distribution and profitability of SMEs in Port Harcourt.
- HO₄: There is no significant relationship between internet use for channel of distribution and customer satisfaction of SMEs in Port Harcourt.
- HO₅: There is no significant relationship between internet use for marketing research profitability of SMEs in Port Harcourt.
- HO₆: There is no significant relationship between internet use for marketing research relate

with customer satisfaction of SMEs in Port Harcourt.

2.1 THEORETICAL FRAMEWORK

This paper adopted two major baseline theories suitable for this work which are theory of Reasoned Action (TRA)

Theory of Reasoned Action (TRA)

According to Ajzen (1991), the theory of reasoned action is a theory which believes that the vocational behavior of individuals is often predicted by such individual's behavioral intention. Ajzen and Fishbein (1980) are of the opinion that this behavioral intention refers to the attitude of individuals towards performing such volitional behavior while normative influence could be referred to as individual normative belief and the individual's motivate to comply with such volitional behavior. According to Ajzen (1991), the theory of reasoned action can be expressed mathematically as BI = $(A_B)W_1 + (S_N)W_2$. In this equation, BI represents individual behavioural intention, AB represents individual attitude towards such behavior while S_N represents subjection norm which relates to the performance of such behavior which W_S represent the weight attached.

This theory is relevant to this study because for businesses to key into the behavior of going towards the direction of e-marketing, there must be a function of both attitude as well as subjective norm which is a function of normative belief and the motivation to comply. The usage of information and communication technology in doing business often starts from the mind of business owners who know the need and benefits that can be derived from doing business on a global scale.

2.2 CONCEPT OF E-MARKETING

E-marketing also referred to electronic marketing is one of the newest concept that is being introduced in modern business activities (Ali, Ejaz, Aleem, Saeed, Tahir & Kashif, 2015). Because of the high growth of internet usage, organizations have also adopted the use of internet as a support for their marketing effort (Gohary, 2012). In a conceptual description, Strauss and Frost (2001), defined emarketing as a process whereby electronic data and applications are utilized for the purpose of planning, organizing, co-ordinating as well as controlling its product ideas, pricing and distribution in an efficient and effective manner. It is true that that perfect description of the 21st century is the speed at which information and communication technology has lightened up each and every system and sub-systems of global economy. Today, ideas spread across countries within seconds and this is one specific reason why every organization must ensure its brand is found online. According to the National Bureau of Statistics, information and communication contributed over 11% to the total real GDP of Nigeria (Agbaje and Ayanbadejo, 2013).

2.2.1 Internet Use for Customers

Today's customers do not just want to physically appear in the organization before his orders are received. Organizations do not also hesitate in communicating via email, SMS, internet adverts to customers. Today, businesses are closer to customers than they were in the 20th century (Ishaman & Mahmoudian, 2014). The manufacturers of pharmaceutical product recently introduced a quick method through which individual can confirm whether drugs are fake or not. Today, fast food restaurants now employ mobile applications for every ordering of food by customers. What customers need to do is just to log on to their website and place order. They receive feedback on every order made as items are delivered to their door step. Organizations today also communicate with customer as information concerning new products and services which also creates more awareness in the employee.

2.2.2 Internet for Channel of Distribution

Every organization must place value as those channels that directly relate with other channels of distribution as well as the final customer. Today, virtually every channel of distribution for products and services in the world utilize the internet for the purpose of communication and control process. Through GPS trading system, each truck delivering products can be monitored. So many firms today incorporate the use of internet channel alongside their traditional marketing channels just like their physical store/warehouse as well as catalogue to enable their customers choose among alternative products and services (Anderson, Brynjolfsson, Flu and Simester, 2005). Because of the presence of internet, today businesses have gone virtual in the sense that people could work from the comfort of their homes while maintaining quality of services and control (Ackerbeg, 2001).

2.2.3 Internet for Marketing Research

According to Hoffman (2000), the internet is regarded as the best thing that has happened to the business world after printing press. It has the ability not only to transform the way and manner in which businesses are conducted but to bring out the essence of man in a complex and dynamic society. Through the internet, information can be gathered concerning a potential market and such information could guide the managers of such organizations on how to develop new products or improve on existing (Kauson 2000) without products adequate information. products cannot be developed effectively for the market. Through the internet, the existing culture of that business can be identified and the managers would then structure their organization in such a way that this is to say that the internet is very useful in the planning process of any product or service because with it, more information can be gathered.

Most significant area when the use of internet is useful for market research is the fact that through the internet, organization can get feedback from customers concerning the quality of their products, delivery as well as after delivery services (Hoffman, 2000). With information, organization can strengthen areas where there is need for amendment so that competitors would not take advantage of their weakness.

2.3 CONCEPT OF BUSINESS SUCCESS

According to Dictionary.com (2017), success can be defined as a favorable, expected or prosperous termination of an endeavor or attempt. It could be referred to as the attainment of position achievements such as academic success, agricultural success, success in celebrations, success in sports, etc. In whichever category we define success, it would never be far from a happy ending. According to Velayudhand and Thomas (2016), different stakeholders in different sectors of the economy have different views about success. However, for this study, we shall adopt the measures of success proposed by Shenha, Levy and Dvir (1997), which includes profitability and consumer satisfaction.

2.3.1 Profitability

Achum (2010), has classified profitability as an aspect of successful business performance. Greuning (2005), further states that profitability means how organization's income exceed its expenses. Duran, Cozac and Duran (2005), are of the opinion that in carrying out profitability analyses, there are two areas which organization need to consider very seriously and they include: the determination of profitability level and setting margins. Profitability is the hallmark of every business and it is that which ensures sustainability and growth. It is only when business make profit that they can comfortably take care of employee needs as well as organizational needs. When businessmen are not successful, the cash flow becomes weak and this would significantly affect its existence. Today, small businesses new profit to grow because it is profit that would justify the action of their owner with such business should contain or not.

2.3.2 Customer Satisfaction

It is very imperative to note that when customers are satisfied, they form the foundation of successful business. This could be in form of

position, word of mouth, brand loyalty and repeat purchase (Angelova and Zekiri 2011). Today, internet penetration has increased the satisfaction of customers because it provides them with effective self-help services, transfer of products/services at zero transportation cost, effective payment system from the comfort of their homes, 24/7 open door services and a lot of other benefits numerous to mention. With the proliferation of social media network, businesses have found it very easy to create awareness in the mind of consumers concerning its products and services. Ilieska (2013) is of the opinion that every consumer purchases goods/services for the purpose of satisfying their needs and wants and such satisfaction influences consumer behavior towards repurchasing, brand loyalty as well as brand advocacy. According to Hansemark and Albinson (2004), satisfaction of employees can be described as the sum of employee attitude towards a particular product or organization. When such satisfaction is in existence, employees would always remain loyal towards repurchasing organizational products no matter the situations that may influence the market.

2.4 E-Market and Business Success

With the proliferation of the World Wide Web (www), many business have found comfort in relatively satisfaction with their customers. With such services, the conventional brick and mortar concept of doing business is fading away, giving rise to a more advanced method of performing business transactions. There is no section of the economy that is isolated from the use of internet because through globalization, customs and organizations meet on a regular basis. Business problems can be solved and customers can easily express the way they feel about certain products and service directly to the organization. Today, consumers can use their smart phones to make orders and such products/services would be declined to their door step. Angelova and Zekiri (2011), some of the factors which affects the use of e-marketing includes the necessary infrastructure such as power, effective ICT facilities, knowledgeable staff as well as the willingness of organizational leaders to incorporate e-marketing activities in their overall market of plan.

3.0 RESEARCH METHODOLOGY

This study adopts a quasi-experimental research because the business of e-marketing is carried out by humans who are in their live world. Copies of questionnaire were distributed to Port Harcourt based SME's and they are across various industries. Spearman rank order correlation coefficient was used in testing the null hypotheses.

4.0 DATA ANALYSES AND FINDINGS

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	DACHEN GLOBAL RESOURCES	12	16.2	16.2	16.2
	DUFILL PRIMA FOODS	23	31.1	31.1	47.3
	FIRST ALUMINIUM PLC	19	25.7	25.7	73.0
	PABOD BREWERIES	20	27.0	27.0	100.0
	Total	74	100.0	100.0	

Table 1distribution of copies of questionnaire

Table 1 shows the number of copies of research instrument distributed to each of the organizations under study. It shows that out of the 74 copies retrieed, 12 copies were retrieved from Dachen Global Resources which constitutes 16.2%, 23 copies were retrieved from Dufill Prima foods, which is 31%, 19 copies were retrieved from First Alluminium

which is 25% of total retrieved copies while 20 copies were retrieved from Pabod breweries which represents 27% of total copies retrieved.

		Cor	relations				
			IUFC	IUFCOD	IUFMR	PROFITABILIT Y	CUST_SATIS
Spearman's the	IUFC	Correlation Coefficient	1.000	.741	.559	.724	.102
		Sig. (2-tailed)		.000	.000	.000	.386
		N	74	74	74	74	74
	IUFCOD	Correlation Coefficient	.741	1.000	.786	.969	.359
		Sig. (2-tailed)	.000		.000	.000	.002
		N	74	74	74	74	74
	IUFMR	Correlation Coefficient	.559	.786	1.000	.761	.390
		Sig. (2-tailed)	.000	.000		.000	.001
		N	74	74	74	74	74
	PROFITABILITY	Correlation Coefficient	.724	.969	.761	1.000	.246
		Sig. (2-tailed)	.000	.000	.000	-	.034
		N	74	74	74	74	74
	CUST_SATIS	Correlation Coefficient	.102	.359	.390	.246	1.000
		Sig. (2-tailed)	.386	.002	.001	.034	
		N	74	74	74	74	74

Table 2Correlation matrix

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

IUFC= Internet use for customers, IUFCOD= Internet use for channel of distribution IUFMR= Internet use for market research, Cust_Satis= Customer satisfaction

H0₁: Our first hypothesis shows a very strong relationship existing between internet use for customers and profitability with a correlation coefficient of 0.724 and a p-value of 0.000 which is less than alpha level of 0.05. For this reason, we would reject the null hypothesis which implies that the more customers are able to interact with organizations in terms of product update and availability, there would be rise in its profitability level.

H0₂: Hypothesis two shows that there is no significant relationship existing between internet use for customers and customer satisfaction. This is shown in a correlation coefficient of 0.102 and a p-value of 0.386 which is higher than alpha level of 0.05. We would therefore reject the null hypothesis. This implies that customers have not yet maximized internet options in Port Harcourt despite its proliferation. This could be associated with several factors like consumer's familiarity with the use of ict as well as the cost of using internet.

H0₃: our third hypothesis shows that internet use for channel of distribution has a perfect correlation with profitability. This is represented in a correlation coefficient of 0.969 as well as a p-value of 0.000 which is less than alpha of 0.05. therefore we would reject the null hypothesis.

H0₄: This hypothesis shows a significant relationship existing between internet use for channel of distribution and consumer satisfaction with a correlation coefficient of 0.359 and a p-value of 0.002 which is less than 0.05 alpha level. We would reject the null hypothesis.

 $H\bar{0}_5$: Our fifth hypothesis shows a very strong relationship existing between internet use for marketing research and profitability with a correlation coefficient of 0.761 and p-value of 0.000 which is actually less than 0.05 alpha level. We would also reject the null hypothesis earlier stated.

H0₆: Our final hypothesis shows there is a significant relationship existing between internet use for marketing research and customer satisfaction with a correlation coefficient of 0.390 and a p-value of 0.01 which is less than 0.05 alpha level. Therefore we would reject the earlier stated null hypothesis.

5.1 CONCLUSION

The use of ICT has played a major role in the success of so many businesses in Nigeria. Today, information spreads very fast unlike in the past two decades where much of manual efforts were made to create knowledge about the marketing environment. With the emergence of the world wide web, it is very easy for businesses to showcase their products to the world, it is also very easy for managers of such businesses to carry out control functions which would ensure accountability and satisfaction of consumer needs. This study has exposed the fact that some businesses today are yet to incorporate the concept of ICT into their overall business function and this has kept them far from achieving the much needed profitability as well as satisfaction of its customers.

5.2 RECOMMENDATIONS

Based on the findings of this study, the following recommendations has been made;

- 1. Businesses must understand that they can never run independent of ICT
- 2. Employees must exert conscious effort in making themselves ICT compliant and recommend to their managers, the need to get an online presence
- 3. Government must understand that steady power guarantees successful implementation of ICT incorporation with businesses.
- 4. Network service providers should as much as possible create more awareness on their data services. Although the awareness is growing, more needs to be done.
- 5. Organizations must see the need for training and development of employees to ensure adequate knowledge on e-marketing activities.

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